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INTERNATIONAL CITY MANAGERS' ASSOCIATION  
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## CHARGES FOR SEWERAGE SERVICE OUTSIDE THE CITY

What methods are used in making charges for sewerage service provided to suburban municipalities and to individuals and private concerns outside the city?

The first step is to determine the total cost of operation of the sewerage system including the proper proportion of the cost of construction, operation, maintenance, and treatment. The problem then is to apportion this cost equitably between the city and the outlying communities connected to the sewerage system. Is the outlying community an incorporated place? Does it or does the city construct and maintain the lateral sewers in the outlying community? Is the water metered? These and other factors must be considered in determining the basis of the charge.

Service to Outlying Municipalities. Perhaps the most equitable method for apportioning the costs is the volumetric basis. If the outlying community is an incorporated place and its sewage is discharged into the city's trunk sewer at one or two points, then it is relatively easy to measure the volume of sewage contributed by the outlying community by means of a venturi meter. The proper share of the total cost of construction, maintenance, and treatment would be apportioned in the ratio of the volume of sewage contributed by the outlying community to the total volume of sewage treated.

By the phrase, "proper share of the total cost," is meant that there should be taken into account only the construction cost and maintenance charges which can be fairly attributed to the outlying community. No part of the maintenance cost for the laterals in the city would be charged to the outlying community, for example, unless it made use of them. Another basis would be to distribute the total cost on the ratio of the number of miles of lateral sewers in the outlying community to the combined mileage of laterals in it and in the city. Whatever the basis of the charge it is desirable that the municipality receiving the service be responsible for payment.

A survey made by the International City Managers' Association about five years ago showed that 16 large cities make charges to outlying municipalities for use of the sewerage systems of the central cities. Only one of the 16 cities reported that the charges failed to meet the cost of the service, and one city reported a profit. A variety of bases are used for the sewerage charges.

The cities of Cleveland and Detroit base their charges on the amount of water they supply to suburban communities. The contract between the city of Cleveland and University Heights, Ohio, for example, provides that Cleveland may either bill University Heights at 44 cents per 1,000 cubic feet of water sold to the latter city, or bill each property owner at 46 cents per 1,000 cubic feet of water. Charges are billed and payable quarterly, with a 3 per cent discount allowed for payments made within 15 days. If any property owner becomes delinquent, University Heights must pay the amount defaulted not later than 30 days after demand for payment. If a property is delinquent more than 60 days, Cleveland may shut off the water or order University Heights

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to do so. The rate charged takes into consideration Cleveland's investment in sewage treatment and disposal facilities.

Five cities (Akron, Baltimore, Buffalo, Los Angeles, and Philadelphia) base their charges to outlying municipalities on the amount of sewage flow into their respective sewerage systems. In Buffalo, for example, the charges are based on the cubic feet of sewage per second per year for the rated capacity of the connection.

Louisville, Kentucky, has a contract with an outlying village which provides for a fixed rental payment to Louisville for a 22-year period, with the provision that if and when the village is annexed the city of Louisville is to pay off outstanding bonds. Rochester, New York, charges some nearby municipalities on the basis of the proportion of their area to the total area served by the Rochester sewage disposal plant. Other cities that are connected to the Rochester system contribute a specified sum for each foot of sanitary sewer in use. Lucas County, Ohio, likewise contributes to the cost of Toledo's pumping station and sewer construction cost on an area basis. In addition, the county pays charges for all new connections and contributes to the operating cost on the basis of the ratio of sewage flow from the county outside of Toledo to the total flow from both county and city sewers. Somewhat similar bases of charges are used in Akron's agreement with the county and with a village.

St. Louis, which does not treat any sewage, requires each outside municipality using the city's sewer system to pay an annual charge, and also a connection charge based upon the proportion of the population within each unit as related to the total population served by the St. Louis sewerage system. Costs are recalculated every ten years on the basis of changing census figures. The connection charge takes into account construction and maintenance costs. The outside municipalities also agree to contribute to the reconstruction of any sewer to which they make connection and to share in the construction of any treatment and pumping plants that the city of St. Louis may be required to provide.

Service to Individual Property Owners. If the outlying section is unincorporated territory and it is necessary for the municipality to collect the fees from the individual property owners, other bases of charging must be employed. The following bases are in use: (1) metered water consumption; (2) metered water consumption with minimum bill; (3) water bill, a fixed percentage of: (4) number of plumbing fixtures; (5) type of property; (6) number of persons; (7) number of sewer connections; (8) number of water connections; (9) uniform rate for all users. A fee based on the metered water consumption probably would result in a reasonable distribution of the costs. Some differentiation probably would be made in rates between ordinary households and commercial and industrial establishments. Some cities that have sewer rentals inside the city use the same basis in charging outside users but increase the amount by 50 per cent, 100 per cent, or by some other arbitrary amount.

Still other cities make a charge for sewer service outside of the city limits but not inside the city. These cities include Phoenix, Arizona, Colorado Springs, Colorado; Morristown, New Jersey; Auburn, New York; Wilmington, Delaware; Johnstown, Pennsylvania; and Dallas, Texas. In Phoenix the charge includes the cost of treating sewage plus the proportional cost of sewer system construction and maintenance charges. The rate a few years ago was 7



cents per 1,000 gallons of sewage based on metered water consumption, \$1.50 monthly minimum bill for house where not metered, and 25 cents per month per cabin in auto courts.

Lexington, Kentucky (49,304), receives \$6,500 a year from sewer rental charges levied on the owner or occupant of each building outside the city which uses the city's sanitary sewer system. The fees range from \$4.80 per year for a three-room residence to \$9 a year for a 10-room residence, and for each apartment in apartment buildings \$4.20 per year.

In Auburn, New York (35,753), the charge for out-of-city connections to the city's sewer system is \$500 for each parcel of property, plus a charge of \$7.50 per year for dwellings to cover the cost of sewage treatment. Waco, Texas (55,982), early in 1945 adopted a sewer service charge which is added to water bills, the charge for inside the city varying from 30 cents for one or two fixtures in one and two-family residences up to \$1.20 for 20 fixtures, with higher charges for apartment houses, commercial businesses, etc. Sewer service outside of the city limits is charged at the same rate plus 50 per cent, and the city may disconnect the sewer for failure to pay the charge within 20 days after due. Sacramento, California has a sewer rental charge consisting of 25 per cent of the water bill for residents of the city and 50 per cent for outside users. In Dallas, Texas, charges for residences in unincorporated areas are based on the number of plumbing fixtures. Charlottesville, Virginia, charges outside residences \$12 a year and Macon, Georgia, charges \$10 a year.

The Contract Agreement. Most of the arrangements between incorporated municipalities, and between a city and individuals or private concerns, are in the form of written contracts or agreements which cover method of payment, service, and other matters. An analysis of the contracts of 16 large cities surveyed by ICMA shows that eight provide a method of amending the terms of the agreements; several specify intervals at which amendments can be made. For example, in St. Louis the agreements are subject to amendment every 10 years on the basis of new census figures. One of the Detroit contracts may be amended only at the end of every five-year period. Akron's agreement with Summit County provides that after five years the contract may be modified or terminated by agreement of both parties. If, however, only one party wishes to amend or terminate the agreement, a written notice of two years is required. If terms cannot then be agreed upon the question is to be submitted to a "court of competent jurisdiction."

Most of the contracts are for an indefinite period of time with no provision for renewal. Some of Rochester's agreements with outside cities may not be terminated until a specified number of years have passed, generally five to ten years, and after the designated period has expired a one-year notice in writing is necessary before the agreement is finally terminated. Similar provisions are found in the sewerage contracts of Akron, Ohio. Three of the Los Angeles contracts call for a "board of arbitration" to consider the renewal of the contract.

Some contracts provide for the exclusion of storm water from the sewerage system. For example, Rochester, New York, in contracts with 10 municipalities requires that only sewage is to be discharged into sanitary sewers. Detroit, on the other hand, provides in certain of its arrangements that no sanitary

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sewage shall be permitted to flow into storm water conduits. Three cities--Akron, Baltimore, and Cleveland--prohibit the discharge of industrial wastes, inflammable liquids, and other specified wastes into sanitary sewers.

Failure to pay for sewerage service provided is frequently specified as sufficient cause for termination of a contract. Philadelphia provides that contracts may be cancelled if outside municipalities permit a sewage flow in excess of that provided by the agreements. Some agreements can be cancelled if the service called for is not provided.

Practically all of the contracts studied contain numerous other provisions pertaining to approval of plans, standard of construction, inspection of facilities, and maintenance of certain records. A rather common provision is one prohibiting the municipality receiving sewerage service to allow another city to connect with its sewers.

(Note: Officials of cities subscribing to MIS may secure on request a copy of a typical contract between the city and a property owner living outside of the city, and a copy of a typical contract between two municipalities.)